

Before the
Federal Communications Commission
Washington, D.C. 20554

RECEIVED

MAR 16 2001

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of)

Service Rules for the 746-764 and 776-794 MHz)
Bands, and Revisions to Part 27 of the)
Commission's Rules)

WT Docket No. 99-168

Carriage of the Transmissions of Digital)
Television Broadcast Stations)

CS Docket No. 98-120

Review of the Commission's Rules and Policies)
Affecting the Conversion to Digital Television)

MM Docket No. 00-39

To: The Commission

PETITION FOR CLARIFICATION AND RECONSIDERATION

Spectrum Exchange Group, LLC ("Spectrum Exchange")¹ hereby submits a petition seeking clarification and reconsideration of certain aspects of the Commission's Third Report and Order.²

In earlier filings, Spectrum Exchange has outlined its plans to act as an intermediary and to administer a "linked auction" for clearing the 700 MHz band.³ Our linked auction is a private mechanism in which participating bidders in the FCC auction would voluntarily agree to make payments, based upon their winning bids, into a clearing fund. The proceeds of the clearing fund would be divided among participating broadcast incumbents in return for voluntarily clearing.

¹ Spectrum Exchange is a joint venture of Market Design Inc. and Allen & Company Incorporated.

² *Third Report and Order*, FCC 01-25, WT Docket No. 99-168, CS Docket No. 98-120, MM Docket No. 00-39 (rel. January 23, 2001).

³ See "Comments of Spectrum Exchange Group, LLC," in WT Docket No. 99-168, filed August 16, 2000 and "Reply Comments of Spectrum Exchange Group, LLC," filed September 15, 2000.

014
014

Our linked auction would reduce the uncertainty of participating bidders and enable them to bid effectively on cleared spectrum. The response that we have received from interested parties has been positive, and it is increasingly likely that the key parties will participate.

Spectrum Exchange continues to develop plans to serve its intermediary role, in association with the Spectrum Clearing Alliance and other stakeholders in the 700 MHz band. In the course of working with broadcast incumbents to implement a clearing plan, several issues have emerged which have been indicated to be important refinements and which will increase the attractiveness and feasibility of such a plan. The requested clarifications and changes are discussed in greater detail in the Spectrum Clearing Alliance Petition for Clarification and Reconsideration,⁴ but they include:

- Allowing a broadcaster who clears an analog or DTV slot of a given station to exercise maximum flexibility in scheduling the DTV transition on its remaining slot;⁵
- Agreeing to process all technical modifications filed in connection with a comprehensive clearing plan within 90 days of the submission of an application;
- Applying a relaxed standard with regard to interference with Class A stations;
- Granting DTV licenses in Channels 59-69 only under certain circumstances; and
- Rescheduling Auction No. 31 ("700 MHz Auction") to begin in January 2002.

Spectrum Exchange welcomes the formation of the Spectrum Clearing Alliance and supports all aspects of the current petition of the Spectrum Clearing Alliance. We believe that favorable Commission action on their requests will improve the probability that we will be able to work successfully with the broadcast incumbents and potential wireless licensees in implementing a clearing plan.

⁴ See "The Spectrum Clearing Alliance Petition for Clarification and Reconsideration" in WT Docket No. 99-168, filed March 16, 2001.

⁵ So long as otherwise permitted under the Commission's interference requirements.

WHEREFORE, Spectrum Exchange respectfully requests that the Commission expeditiously clarify and reconsider its Third Report and Order along the lines suggested herein.

Respectfully submitted,

SPECTRUM EXCHANGE GROUP, LLC

By: Laurence Ausubel
Lawrence Ausubel, Co-President
Peter Cramton, Chairman
Paul Milgrom, Co-President

2920 Garfield Terrace, NW
Washington, DC 20008
(tel) 301.405.3495
(fax) 202.318.0863

March 16, 2001

CERTIFICATE OF SERVICE

I, LaVon E. Stevens, a secretary with the law firm of Wilkinson Barker Knauer, LLP, hereby certify that on this 16th day of March, 2001, I caused the foregoing Petition for Clarification and Reconsideration to be hand delivered to the following:

Peter A. Tenhula
Senior Legal Advisor
Office of Commissioner Michael K. Powell
Federal Communications Commission
445 - 12th Street, S.W., Room 8-A204A
Washington, D.C. 20554

Bryan N. Tramont, Legal Advisor
Office of Commissioner Harold W.
Furchtgott-Roth
Federal Communications Commission
445 - 12th Street, S.W., Room 8-A302
Washington, D.C. 20554

Adam D. Krinsky
Legal Advisor
Office of Commissioner Gloria Tristani
Federal Communications Commission
445 - 12th Street, S.W., Room 8-C302
Washington, D.C. 20554

Mark D. Schneider
Senior Legal Advisor
Office of Commissioner Susan Ness
Federal Communications Commission
445 - 12th Street, S.W., Room 8-B115
Washington, D.C. 20554

Thomas J. Sugrue, Chief
Wireless Telecommunications Bureau
Federal Communications Commission
445 - 12th Street, S.W., Room 3-C207
Washington, D.C. 20554

Roy J. Stewart, Chief
Mass Media Bureau
Federal Communications Commission
445 - 12th Street, S.W., Room 2-C337
Washington, D.C. 20554


Robert M. Pepper, Chief
Office of Plans and Policy
Federal Communications Commission
445 - 12th Street, S.W., Room 7-C347
Washington, D.C. 20554

Evan R. Kwerel
Office of Plans and Policy
Federal Communications Commission
445 - 12th Street, S.W., Room 7-C347
Washington, D.C. 20554

Jonathan D. Levy
Office of Plans and Policy
Federal Communications Commission
445 - 12th Street, S.W., Room 7-C347
Washington, D.C. 20554

John R. Williams
Office of Plans and Policy
Federal Communications Commission
445 - 12th Street, S.W., Room 7-C347
Washington, D.C. 20554

International Transcription Services, Inc.
1231 20th Street, N.W.
Washington, D.C. 20036


LaVon E. Stevens